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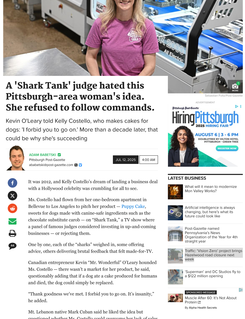

A 'Shark Tank' judge hated this Pittsburgh-area woman's idea. She refused to follow commands.

Kevin O'Leary told Kelly Costello, who makes cakers for dogs: 'I forbid you to go on.' More than a decade later, that could be why she's succeeding

ADAM BAKTAY
Pittsburgh Post-Gazette
abaktay@post-gazette.com

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Tiny borough, big draw

The failed pitch was a rough experience for Ms. Costello, who was one of the few business owners to be selected for filming but left empty-handed. But she retreated to Bellevue with newfound resolve.

Ms. Costello decided to ignore "Mr. Wonderful" and push on.

Wonderful decision: Puppy Cake now sells more than 100,000 products per year, according to the company's internal data.

Ms. Costello started her company in her apartment, but she needed more space after her TV appearance. She relocated to a factory in Evans City in 2013, and again to a 20,000-square-foot facility in Portersville, Butler County, in 2020, and now lives in New Castle.

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Today, Puppy Cake offers microwavable or baketable cakes, "Puppy Scoops" and "Huggie" Dogs" ice cream mixes in over a dozen different total flavors, including birthday cake, pumpkin and bacon. Products range in price from $5.99 for a 3.20-ounce ice cream mix (which requires water) to $19.99 for a full-size cake kit (which requires an egg, vegetable oil, and water).

Puppy Cake's bright pink sign outside its factory draws the attention of people on Perry Highway driving through Portersville, a tiny borough of a little more than 200.

Accordingly, Ms. Costello recently built a small storefront by the factory's front door so she wouldn't have to keep turning potential customers away.

Broadening a 'niche' business

Commuter-turned-customer April Neill and her two daughters, all from Cranberry, recently pulled up to the factory for cakes — after all, it was one of their dogs' birthdays.

They rang a bell to call for Ms. Costello.

She emerged from the factory accompanied by Jeb, her 8-year-old terrier mix, and Gary, her 1-year-old Boston terrier mix, to explain her product selection.

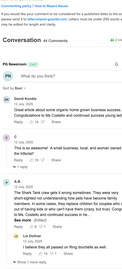
The pitch worked.

Ms. Neill said the cake mix and three varieties of ice cream she purchased — including "prime rib" — were reasonably priced and "way better" options than simple whipped cream.

The Portersville factory and its humming production line, where workers send cake mix and dog bone-shaped baking trays into colorful packaging, is a far cry from Ms. Costello's shoestring budget when she founded the business as a 21-year-old in 2007.

At the time, she had to pack the cakes herself. She scraped together $1,000 just to buy her website domain, puppycake.com.

Today, Puppy Cake generates much of its business by selling directly to mom-and-pop shops and independent pet stores, much like how Ms. Costello operated early on, when Amazon was still in its infancy.



A May sale at Iron Paddy Cake 'n Pizza in Monroeville, July 8, 2023.

She caters to smaller outlets by allowing them to mix and match orders, down to one container of any given flavor. Larger distributors buy pallets by the case, which hold up to 48 cake mixes or 36 ice cream containers. The company's most popular items, peanut butter cake mix, sells an average of its units a day, Ms. Costello said.

Puppy Cake started to take off when Ms. Costello joined Fulfillment by Amazon, she said, a partnership service for small businesses that allows companies to utilize its fulfillment centers across the country and offer faster shipping with Amazon Prime.

Ms. Costello said she quickly went from selling a few hundred dollars a month of products to several thousand.

The next frontier: cats?

When she first started, Ms. Costello mostly targeted millennial-aged women like herself — since she was familiar with her own wants and needs.

"I was my ideal customer," she said.

She had to shift her strategy as her core demographic transitioned from millennials to Generation Z, and she has found that the marketing power of social media has correspondingly dwindled. Younger customers are more careful with how they spend their money, and they are more likely to factor peer reviews over flashy marketing campaigns, she said.

"They grew up with the internet," Ms. Costello said. "It really has to be their peers telling them that they want to buy it."

Nowadays, Puppy Cake focuses on search engine optimization — making sure that their products appear near the top of search results for certain terms. Customers searching on Amazon for "birthday cakes for dogs," for example, will come across dozens of Puppy Cake products, nearly all of them with thousands of ratings above four stars out of a possible five.

After all, every edge counts for a small business.

Back at the Portersville factory, Ms. Costello pushed through a set of plastic industrial curtains to enter the mixing room — which might as well be paradise for a craving dog.

Two giant mixers taller than a human dominated one corner of the room.

Nearby, vats of homemade sprinkles stood ready for distribution.

Puppy Cake formerly sourced its sprinkles from a bakery in Washington County. But they couldn't keep up with orders. So Ms. Costello's husband, Blake, who has a background in chemistry, recreated and modified the bakery's sprinkles so the colors would last longer.

Ms. Costello's product line is about to expand beyond dogs. She's focused on developing "Kitty Cakes" — to reach, well, you know.

But cats are pickier than dogs — all the way down to a product's texture. So far, a chicken-flavored mix is performing well. Ms. Costello's goal is to get a positive reaction from 75% of the cat testers. Each of her products have to receive animal approval before they hit the shelves.

"We'll never get 100%," she said with a smile.

(Note: Ms. Costello said that she cannot recommend Puppy Cakes for human consumption because they haven't passed the necessary inspections.)

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Adam Baktaiti is a business reporter for the Post-Gazette. He earned bachelor's degrees in journalism and medieval history from Penn State and a master's in investigative journalism from Northwestern.
abaktaiti@post-gazette.com
@adambaktaiti
adambaktaiti.baby.social

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Great article about some organic home grown business success. Congratulations to Ms Costello and continued success young lady !!
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12 July, 2023
This is so awesome! A small business, local, and woman owned - love to see it!
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A.S.
12 July, 2023
The Shark Tank crew gets it wrong sometimes. They were very short-sighted not understanding how pets have become family members. Pet products are a huge business for couples who opt out of having kids or who can't have them for many, but love. Congrats to Ms. Costello and continued success in her.
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I believe they all passed on Ring doorbells as well.
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Good for her! Who would ever want to be in business with Mr Terrible anyway?
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The money people will spend on their pets is hard to understand. I'm a dog owner but I remember the years when I have had more fun with dogs playing by all me with an old towel. There are many people who own dogs and present them from being dogs and letting them run loose in an empty field as t
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David Kondik
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Ray - what you say is accurate, but it's not really about the dog for me. It's about the companion. I'm single and I find it fulfilment. It's an interesting niche. I say this as my doodle compels me to get him while the golden is busy chewing on a rope toy - that I got inexpensively at Aldi. ...
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